

AT HOME CORPORATION
425 Broadway Street
Redwood City, CA 94063

October 2, 1997

Cablevision Systems Corporation
CSC Parent Corporation
Comcast Corporation
Cox Enterprises, Inc.
Kleiner, Perkins, Caufield & Byers
Tele-Communications, Inc.

Dear Sirs:

Reference is made to the term sheet (the "Term Sheet") attached hereto regarding, among other things, the issuance and sale of certain warrants to purchase Series A Common Stock of At Home Corporation ("@Home"), the execution and delivery of certain instruments relating to the @Home Master Distribution Agreement, and the waiver of certain rights under, and the amendment of certain provisions contained in, the Stockholders Agreement (as defined below). Unless the context requires otherwise, capitalized terms not defined in this letter agreement (this "Letter Agreement") or in the Term Sheet shall have the definitions ascribed to them in the Amended and Restated Stockholders' Agreement, dated as of July 16, 1997, among @Home, and Comcast Corporation ("Comcast"), Cox Enterprises, Inc. ("Cox"), Kleiner, Perkins, Caufield & Byers ("KPCB"), Tele-Communications, Inc. ("TCI"), and certain of their respective subsidiaries (the "Stockholders Agreement").

The Term Sheet sets forth the agreements of the parties in respect of the transactions contemplated thereby. The parties intend that the covenants and agreements set forth in the Term Sheet will be superseded by definitive agreements and instruments which will contain provisions incorporating and expanding upon the agreements set forth therein, together with other provisions customary in the case of transactions of the type described therein, and such other provisions as are reasonable and appropriate in the context of the transactions contemplated hereby and thereby. Notwithstanding the foregoing, the parties expressly acknowledge and agree that this Letter Agreement (including the Term Sheet) constitutes a binding agreement among them, subject to the terms and conditions set forth in this Letter Agreement and the Term Sheet, until such definitive agreements are executed and delivered. If such definitive agreements are not executed and delivered within sixty (60) days from the date of this Letter Agreement, then this Letter Agreement and the Term Sheet (other than Section I thereof, to the extent incorporated in the Warrant Purchase Agreement) shall be deemed to be such definitive agreements commencing on the date hereof. Each

party hereto agrees to use its commercially reasonable efforts to consummate the transactions contemplated by this Letter Agreement and the Term Sheet, and the completion of such definitive agreements.

This Letter Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the conflicts of law rules of such state. The parties hereto agree that irreparable damage would occur in the event any provision of the Letter Agreement or the Term Sheet was not performed in accordance with the terms hereof or thereof, and that the parties shall be entitled to specific performance (subject to the moving party sustaining the applicable burden necessary to obtain such relief including as to the inadequacy of money damages) of the terms hereof and thereof in addition to any other remedy at law or in equity.

Each party hereto severally represents to each of the other parties hereto that this Letter Agreement has been duly authorized (subject, in the case of each of @Home, CSC Parent and CSC, to the receipt of approval of the transactions contemplated hereby by its Board of Directors), executed and delivered by such party and constitutes the legal, valid and binding obligation of such party and, to the extent applicable, the members of such party's Stockholder Group (or, in the case of Cablevision Systems Corporation ("CSC"), CSC and its Controlled Affiliates (the "CSC Stockholder Group," which term shall be deemed to include CSC Parent Corporation ("CSC Parent"), which entity is to become the parent corporation of CSC upon the merger (the "CSC Merger") of CSC Parent and CSC pursuant to the Contribution and Merger Agreement, dated as of June 6, 1997 (the "Contribution Agreement"), among TCI Communications, Inc. ("TCIC"), CSC, CSC Parent and CSC Merger Corporation)), enforceable against such party and the applicable members of its Stockholder Group (or the CSC Stockholder Group) in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the rights of creditors generally and by general principles of equity. (References herein to "CSC Parent" assume the consummation of the CSC Merger; in the event that such merger is not consummated or the Contribution Agreement is terminated, such references to CSC Parent shall be deemed to be references to CSC.)

In addition, (i) @Home represents and warrants to CSC and CSC Parent that it has delivered to CSC true and complete copies of all agreements between @Home and any member of a Stockholder Group and (ii) each of Comcast, Cox, KPCB and TCI, individually (and not jointly), represents and warrants to CSC and CSC Parent that except for those agreements delivered to CSC by @Home in accordance with clause (i), there are no agreements between a member of such entity's Stockholder Group, on the one hand, and a member of any other Stockholder Group, on the other, relating to @Home; provided, however, that for purposes of the representations and warranties set forth in this sentence, the term "agreement" shall not include any .Com or Promotional Agreements or any Local Cable Operator Agreements, provided that such agreements were entered into in accordance with the terms of the Stockholder Agreement, Master Distribution Agreement and the Fourth Amended and Restated Certificate of Incorporation of @Home (as applicable).

Each of @Home and CSC agrees to promptly provide to the other reasonable access to its books, records, contracts and other information relating to its business, including, but not limited to, in the case of CSC, information concerning those of its contracts, agreements, arrangements, understandings, investments and businesses which may form a basis for exceptions from the full application to CSC of the Cable Parent Exclusivity Provisions. The parties acknowledge that CSC shall only be required to provide information pursuant to the foregoing which is reasonably related to the transactions contemplated hereby. Information relating to CSC's proposed exceptions to the Cable Parent Exclusivity Provisions shall be delivered to @Home by CSC promptly following the date of execution of this Letter Agreement by it, and in any event not less than one business day prior to the Effective Date (as defined below). Confidential information disclosed by @Home and CSC to each other shall be subject to the terms of the Non-Disclosure Agreement, dated as of July 24, 1996, between @Home and CSC.

This Letter Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Upon the execution of this Letter Agreement by a party hereto, this Letter Agreement and the Term Sheet shall be the valid, binding and enforceable agreement of such party as of the date first above written, notwithstanding the failure of the other parties to execute and deliver this Letter Agreement at such time; provided, however, that (i) the enforceability of this Letter Agreement and the Term Sheet as to each of @Home and CSC, CSC Parent and its Controlled Affiliates shall be subject to the condition subsequent that this Letter Agreement and the transactions contemplated hereby be approved by the Board of Directors of @Home and CSC, respectively, and (ii) this Letter Agreement and the Term Sheet shall terminate and cease to be of any force and effect in the event that (x) the requisite approvals of this Letter Agreement and the transactions contemplated hereby by the Boards of Directors of both @Home and CSC have not been obtained by 9:00 A.M., California time, on October 10, 1997, or (y) this Letter Agreement shall not have been executed and delivered by all of the parties hereto by 9:00 A.M., California time, on October 10, 1997 (the date of the last to occur of such Board approvals and execution and delivery is referred to as the "Effective Date"). If for whatever reason the Warrants have not been issued to CSC by 5:00 P.M., New York City time, on the Effective Date, then this Letter Agreement and the Term Sheet shall terminate. Termination of this Letter Agreement and the Term Sheet shall not affect the liability of any party hereto for its breach of this Letter Agreement or the Term Sheet occurring prior to such termination.

Each of Comcast, Cox, KPCB and TCI acknowledges and agrees that their execution of this Letter Agreement shall constitute the consent of their respective Stockholder Affiliates listed in Schedule I hereto to the transactions contemplated by this Letter Agreement.

If the foregoing is in accordance with your understanding please indicate your agreement by signing below, at which time this letter will constitute a binding agreement among us.

Very truly yours,

AT HOME CORPORATION

By: 

Name: Thomas A. Jermoluk

Title: Chairman of the Board,
President and Chief
Executive Officer

Accepted and Agreed as of
the date first above written:

CABLEVISION SYSTEMS CORPORATION

By: 

Name: James Dolan
Title: CEO

CSC PARENT CORPORATION

By: 

Name: James Dolan
Title: CEO

COX ENTERPRISES, INC.

By: _____

Name:
Title:

COMCAST CORPORATION

By: _____

Name:
Title:

KLEINER PERKINS CAUFIELD & BYERS

By: _____

Name:
Title:

TELE-COMMUNICATIONS, INC.

By: 

Name: Leo J. Hindery, Jr.
Title: President

Accepted and Agreed as of
the date first above written:

CABLEVISION SYSTEMS CORPORATION

By: _____
Name: _____
Title: _____

CSC PARENT CORPORATION

By: _____
Name: _____
Title: _____

COX ENTERPRISES, INC

By: William L. Killeen Jr.
Name: WILLIAM L. KILLEEN JR.
Title: Vice President

COMCAST CORPORATION

By: _____
Name: _____
Title: _____

KLEINER PERKINS CAUFIELD & BYERS

By: _____
Name: _____
Title: _____

TELE-COMMUNICATIONS, INC.

By: _____
Name: _____
Title: _____

Accepted and Agreed as of
the date first above written:

CABLEVISION SYSTEMS CORPORATION

By: _____
Name:
Title:

CSC PARENT CORPORATION

By: _____
Name:
Title:

COX ENTERPRISES, INC.

By: _____
Name:
Title:

COMCAST CORPORATION

By: B. Roberts
Name: Brian L. Roberts
Title: President

KLEINER PERKINS CAUFIELD & BYERS

By: _____
Name:
Title:

TELE-COMMUNICATIONS, INC.

By: _____
Name:
Title:

Accepted and Agreed as of
the date first above written:

CABLEVISION SYSTEMS CORPORATION

By: _____
Name: _____
Title: _____

CSC PARENT CORPORATION

By: _____
Name: _____
Title: _____

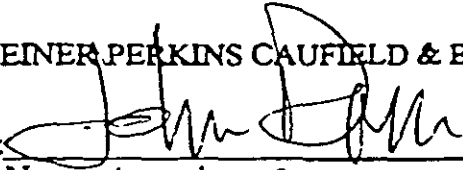
COX ENTERPRISES, INC.

By: _____
Name: _____
Title: _____

COMCAST CORPORATION

By: _____
Name: _____
Title: _____

KLEINER PERKINS CAUFIELD & BYERS

By:  _____
Name: L. John Doern
Title: Partner

TELE-COMMUNICATIONS, INC.

By: _____
Name: _____
Title: _____

AT HOME CORPORATION

TERM SHEET

I. Issuance and Sale of Warrants to Purchase @Home Series A Common Stock

On the Effective Date, @Home will enter into a Warrant Purchase Agreement with CSC and CSC Parent in substantially the form attached hereto as Exhibit A pursuant to which @Home will issue and sell, and CSC and CSC Parent will purchase, on the Effective Date, warrants (the "Warrants") to purchase a number of shares of the Series A Common Stock of @Home equal to the product of (x) the number of Homes Passed of (1) CSC and CSC Parent and (2) the Contributed Systems (as defined below), in each case including their Controlled Affiliates and calculated as of September 30, 1997, and (y) two (subject to appropriate adjustments to give effect to any stock splits, reverse stock splits, stock dividends, recapitalizations and the like occurring after the date hereof and prior to the issuance of the Warrants). As used herein, the term "Contributed Systems" shall mean those cable television systems owned and operated by TCI and its Controlled Affiliates as of the date hereof which are to be transferred to CSC, CSC Parent or their Controlled Affiliates pursuant to the Contribution Agreement and certain other arrangements between CSC and TCI, which cable television systems are listed on Schedule II hereto. Warrants issued in respect of Homes Passed of the Contributed Systems shall be issued as "Contingent Warrants." The Contingent Warrants shall not be immediately exercisable, but shall become exercisable as and to the extent that any of the Contributed Systems to which such Contingent Warrants relate are transferred to CSC Parent, CSC or their Controlled Affiliates. In addition, upon the termination of any agreement relating to the transfer of Contributed Systems (other than by consummation thereof), the number of Contingent Warrants relating to the the Contributed Systems subject to such terminated agreement shall terminate at such time. All Warrants and Contingent Warrants, whether or not then exercisable, shall terminate immediately following the close of business on the Warrant Termination Date.

The aggregate purchase price for the Warrants shall be \$1.00, payable in cash. The exercise price of the Warrants shall be \$.50 per share, subject to appropriate adjustments to give effect to any stock splits, reverse stock splits, stock dividends, recapitalizations and the like occurring after the date hereof. The Warrants shall be immediately exercisable; provided, however, that (i) any Contingent Warrants will not be immediately exercisable and will become exercisable as provided above and (ii) any such exercise shall be subject to the receipt of all necessary governmental consents or approvals or the expiration of any applicable waiting period under the HSR Act. All outstanding but unexercised Warrants will expire and cease to be exercisable on the fifth anniversary of the initial issuance of the Warrants (the "Warrant Termination Date"); provided, however, that in the event that CSC has been unable to exercise the Warrants prior to the Warrant Termination Date because of the failure to receive a governmental consent or approval or the failure of the waiting period under the HSR Act to have expired or have terminated (despite its and

@Home's continuing use of commercially reasonable efforts to obtain such consent or approval or the expiration or termination of such waiting period), then CSC or CSC Parent, as the case may be, shall have the right to acquire upon exercise of any remaining Warrants on the Warrant Termination Date (other than any Contingent Warrants which are not then exercisable) shares of a class or series of non-voting, transferable, equity securities of @Home that are convertible at any time (subject to the prior receipt of any required governmental consents or approvals or the expiration or termination of any waiting period under the HSR Act) into the number of shares of Series A Common Stock that CSC or CSC Parent would have obtained upon exercise of the remaining Warrants (other than any such unexercisable Contingent Warrants) immediately prior thereto and upon payment of the aggregate exercise price that would have been so payable; and the parties hereto agree to take such steps as may be reasonably necessary to effect the creation, authorization and issuance of such securities (such securities and the Warrant Shares are collectively referred to as the "Warrant Securities").

II. Master Distribution Agreement.

CSC, CSC Parent, @Home and each Cable Parent will enter into an instrument (the "MDA Instrument") pursuant to which CSC and CSC Parent shall become parties to the Master Distribution Agreement and will become entitled to all rights, and subject to all obligations, thereunder, except as specifically provided herein. The MDA Instrument will provide that CSC (and any other Controlled Affiliate of CSC Parent which conducts the cable distribution business of CSC Parent) will be a "Cable Parent" and that CSC Parent will be a "Parent," in each case for all purposes of the Master Distribution Agreement, and shall have the rights, benefits and obligations of a "Cable Parent" and a "Parent," respectively, as provided therein and in the Local Cable Operator Agreement (the "LCO Agreement"), except to the extent a provision of the Master Distribution Agreement or the LCO Agreement refers to specific Cable Parents or Parents (including, but not limited to, Sections 8 and 10 of the Master Distribution Agreement and Section 4(c) of the LCO Agreement); provided, that if all of the cable distribution business conducted, directly or indirectly, by CSC is contributed to a subsidiary of CSC, then such subsidiary shall replace CSC as a "Cable Parent", and CSC or CSC Parent (whichever corporation is the parent entity of the CSC Stockholder Group) shall be a "Parent" for purposes of the Master Distribution Agreement. In addition, CSC (with respect to periods prior to the CSC Merger) and CSC Parent (with respect to periods subsequent to the CSC Merger) shall provide the same undertakings and covenants as each of TCI, CEI and Comcast provided as a "Parent" pursuant to the Master Distribution Agreement (including, without limitation, under Section 17 thereof).

For purposes of clarification, (i) CSC and Parent shall be entitled to the benefits of the MFN (as defined in the Master Distribution Agreement) (including, but not limited to, the right to co-brand the @Home Services (as defined in the Master Distribution Agreement) with @Home) and roll-out priorities on the same basis as all other Cable Parents and (ii) CSC shall not be entitled to (x) become a "High C" or a "Triggering Cable Parent" for purposes of Section 8 of the Master Distribution Agreement, (y) terminate the Cable Parent Exclusivity Provisions upon a TCI Change in Control or (z) terminate the Cable Parent Exclusivity Provisions as to itself prior to the earlier of (1) June 4,

2002 and (2) the Exclusivity Termination Date. Notwithstanding the limitation of clauses (x) and (y) of clause (ii) above, in the event either CCI or Comcast Cable elects to terminate the Cable Parent Exclusivity Provisions pursuant to Sections 8 or 10 of the Master Distribution Agreement, or the Cable Parent Exclusivity Provisions are otherwise terminated (or become terminable) in accordance with their terms as to all other Cable Parents, such provisions may be terminated by CSC (with respect to itself) at the same time as such provisions terminate (or become terminable) as to the other Cable Parents.

In the event of a Required Either E Cable Parent Election (as defined in the LCO Agreement) to increase the revenue percentage split to @Home, the percentage split to @Home in all then existing LCO Agreements between @Home and CSC and its Controlled Affiliates shall not be increased on the date of the Required Either E Cable Parent Election (the "Split Change Date") but any LCO Agreements entered into by CSC and its Controlled Affiliates subsequent to the Split Change Date (including any subsequent renewals of LCO Agreements in effect on such date) shall be subject to and shall incorporate such increased percentage split. Each Cable Parent acknowledges and agrees that the application of the foregoing to CSC in respect of increases in the percentage split to @Home arising from a Required Either E Cable Parent Election shall not entitle such Cable Parent to assert its MFN rights with respect to the fact that such changed revenue split is not immediately applicable to CSC.

The MDA Instrument shall have such other terms and provisions as the parties may agree, and CSC and CSC Parent shall be entitled to reasonable exceptions to the full application of the Cable Parent Exclusivity Provisions with respect to certain investments and activities as they currently have or are engaged in (on a basis substantially similar to that upon which the Cable Parents excluded such investments and activities in connection with the execution of the Term Sheet, dated June 4, 1996, among the parties thereto).

III. Registration Rights.

The currently outstanding @Home Registration Rights Agreement shall be amended to provide CSC Parent with registration rights with respect to the shares of Series A Common Stock issuable upon exercise of the Warrants. CSC Parent shall be entitled to two (2) Demand Registrations (as defined therein) and other registration rights which are pari passu with those provided to TCI (other than the Special Registration Right (as defined therein)), Cox and Comcast.

IV. Stockholders Agreement Amendment and Waiver.

The parties will enter into an Amended and Restated Stockholders Agreement amending and restating the provisions of the existing Stockholders Agreement, as amended hereby.

1. Waiver of Certain Provisions of the Stockholders Agreement.

Pre-Emptive Rights: Each Eligible Stockholder waives (i) any rights under Article 8

of the Stockholders Agreement to receive any notice of the proposed issuance and sale by @Home of the Warrants or the Warrant Securities; (ii) any rights under Article 8 of the Stockholders Agreement to acquire from @Home a pro rata portion of the Warrants or the Warrant Securities and/or other securities of @Home sufficient to maintain its proportional interest in @Home after giving effect to the issuance of the Warrants; (iii) any rights to acquire "New Capital Stock" as defined in the Stockholders Agreement with respect to the issuance of the Warrants or the Warrant Securities; and (iv) any right of first refusal or other rights granted to it under the Stockholders Agreement applicable to the issuance of the Warrants or the Warrant Securities. The issuance of the Warrant Securities upon exercise of Warrants shall not result in any Stockholder becoming entitled to exercise any preemptive rights in respect thereof.

2. Amendments to Stockholder Agreement.

Addition of CSC
Stockholder Group:

In connection with their acquisition of the Warrants from @Home, CSC Parent, CSC and the wholly owned subsidiary of CSC which holds the Warrants ("CSC Sub") would become parties to the Stockholders Agreement and would be entitled to all of the rights and benefits, and would be subject to all of the obligations, thereunder on the same basis as the Comcast Stockholder Group, the Cox Stockholder Group and the TCI Stockholder Group, except as otherwise specifically provided herein.

Without limiting the generality of the foregoing, the parties acknowledge and agree that the following matters will be amended in connection with the consummation of the transactions contemplated hereby:

- (a) The definition of "Company Securities" will be amended to provide that the Warrants and the Warrant Securities will be deemed Company Securities notwithstanding the fact that the Warrant Securities issuable upon the exercise thereof would require the payment of additional consideration; provided, however, that for purposes of any determination of CSC's proportionate equity ownership of @Home (e.g., for purposes of calculating the amount of New Capital Stock purchasable by CSC

upon exercise of its preemptive rights), the Contingent Warrants will be deemed issued and outstanding Company Securities, but any securities issued to CSC in respect thereof or which become purchasable by it (e.g., with respect to Tag-Along Rights) shall also be issuable upon such contingent basis, as the parties may reasonably agree, and shall not become vested until the underlying Contingent Warrant becomes vested and exercisable. Any such securities that are not vested at the time of the expiration of the applicable Contingent Warrant shall, upon the request of the Company given within 30 days after such expiration, be returned to the Company in exchange for the consideration paid therefor. In addition, appropriate changes to reflect the foregoing concept will be made where reasonably necessary in the Stockholders Agreement, including but not limited to, in the definition of "Attributable Shares."

- (b) The CSC Stockholder Group will be added to the definition of Eligible Stockholder Amount and will have an initial Eligible Stockholder Amount equal to 25% of the number of shares of Series A Common Stock subject to issuance upon exercise of the Warrants other than Contingent Warrants, with such amount to be adjusted from time to time to reflect the vesting of Contingent Warrants, and notwithstanding in each case that the exercise price of the Warrants has not been paid.
- (c) CSC Sub shall be deemed an "Exclusive Stockholder" so long as CSC or CSC Parent remains in compliance with the Cable Parent Exclusivity Provisions from and after the date hereof.
- (d) Appropriate changes and additions will be made to the definitions of "Cable Parent," "Parent," "Stockholder," "Stockholder Group" and "CSC Stockholder Group" together with such other changes as are necessary or appropriate in light of CSC, CSC Parent and their Controlled Affiliates being parties to the Stockholder Agreement on the basis set forth herein.

Transfer Provisions:

The Warrants and the Warrant Securities (which shall be deemed "Company Securities" for purposes of the Stockholders

Agreement) issued to the CSC Stockholder Group shall be subject in all respects to the Transfer restrictions set forth in Article 4 of the Stockholders Agreement and CSC Sub shall be a Stockholder thereunder and shall have full rights in accordance therewith (as modified hereby with respect to its rights in respect of Contingent Warrants) to purchase Company Securities from another Stockholder Group pursuant to Section 4.3 and 4.4 thereof. Notwithstanding the foregoing, in the event that CSC is unable to exercise all of the Warrants for Series A Common Stock and exercises Warrants on the Warrant Termination Date for other securities as provided above, CSC shall be entitled to exercise such Warrants and sell such Warrant Securities (and any underlying securities) issued in respect thereof in a registered public offering having wide distribution, without compliance with the provisions of Section 4.3 or 4.4 of the Stockholders Agreement, during the six-month period following the Warrant Termination Date.

Board Representation:

During the period subsequent to the @Home Board's approval of the Letter Agreement and the Warrant Closing, @Home shall cause one person designated by CSC to be permitted to attend (only as an observer) meetings of @Home's Board of Directors, subject to agreements to maintain confidential information, the right of the Board to exclude the observer from attorney-client privileged portions of meetings and the observer's compliance with @Home's policies with respect to insider trading. Each Stockholder and @Home will agree (i) to take such commercially reasonable actions as are required to cause to be appointed to the Board of @Home (as an Additional Director (as defined in the Charter)) one person designated by CSC Parent (the "CSC Designee") upon receipt from CSC following the issuance of the Warrants of a written notice that it wishes to have a CSC Designee so appointed and that such appointment does not violate any applicable federal laws and (ii) thereafter to vote those voting securities beneficially owned by it in favor of the election of the CSC Designee for so long as CSC Parent beneficially owns at least 5,000,000 shares of Common Stock, subject to appropriate adjustments to give effect to any stock splits, reverse stock splits, stock dividends, recapitalizations and the like occurring after the date hereof (the "CSC Stock Amount"), but only if CSC has not indicated its wish to cease to have a CSC Designee serve on the Board of @Home. The provisions of Section 3.4(b) of the Stockholders Agreement will

be applicable to CSC Parent with respect to the CSC Designee in the event that CSC Parent ceases to beneficially own the CSC Stock Amount.

Deemed Transfer:

The provisions of Article 5 of the Stockholders Agreement will be amended to provide that (i) as and to the extent Contributed Systems are transferred from the TCI Stockholder Group to the CSC Stockholder Group, the number of Base Homes Passed of TCI and its Controlled Affiliates shall be reduced by the number of Homes Passed of such Contributed Systems (the "Contributed Homes Passed") and (ii) the number of Base Homes Passed of CSC, CSC Parent and their Controlled Affiliates will be equal to the number of Homes Passed of CSC and its Controlled Affiliates used for purposes of the determination of the number of Warrants (other than the Contingent Warrants) issuable to CSC Sub, which number shall be increased from time to time upon any transfer of Contributed Systems to CSC, CSC Parent or their Controlled Affiliates. For purposes of Article V, the "Total Shares" of CSC Sub shall be the number of shares issuable upon exercise of the Warrants issuable to it pursuant to the Warrant Purchase Agreement (including Contingent Warrants), as reduced from time to time as necessary to reflect the termination of Contingent Warrants occurring upon the termination of agreements or arrangements relating to the transfer of Contributed Systems. Such amendment will effect corresponding changes to Schedule II to the Stockholders Agreement.

Controlled Affiliates:

For purposes of the Stockholders Agreement, the Master Distribution Agreement, the MDA Instrument, the Registration Rights Agreement and the LCO Agreement, no member of the CSC Stockholder Group shall be deemed to be a Controlled Affiliate of TCI or any member of the TCI Stockholder Group.

Covenant of Stockholders:

In the event that the exercise of the Warrants requires the approval of the stockholders of @Home, each of @Home, Comcast, Cox, KPCB and TCI agrees that such approval shall be deemed an action required to be taken pursuant to the Stockholders Agreement and that each such person shall take the actions required of it pursuant to Section 3.1 of the Stockholders Agreement in order to obtain any such approval.

Other:

Without limitation of the foregoing, CSC and CSC Parent shall

be entitled to (and shall be obligated with respect to) the preemptive rights under Article 8, the Rights of First Offer under Sections 4.3 and 4.4, the Tag Along Rights under Section 4.5, the Drag-Along Rights under Section 4.6 and the Deemed Transfer provisions of Article V, in each case on the same basis as the other Stockholder Groups and to the extent required by the terms of such provision.

Exhibit A

[Form of Warrant Purchase Agreement]

AT HOME CORPORATION
425 Broadway Street
Redwood City, California 94063

October 10, 1997

Cablevision Systems Corporation
CSC Parent Corporation
Comcast Corporation
Cox Enterprises, Inc.
Kleiner, Perkins, Caufield & Byers
Tele-Communications, Inc.

Dear Sirs:

Reference is made to the letter agreement, dated October 2, 1997, among At Home Corporation and Cablevision Systems Corporation, CSC Parent Corporation, Comcast Corporation Cox Enterprises, Inc., Kleiner, Perkins, Caufield & Byers and Tele-Communications, Inc. (the "Letter Agreement"), which has been executed and delivered by each of the parties thereto. Capitalized terms not defined herein will have the meanings ascribed to such terms in the Letter Agreement.

Following the execution and delivery of the Letter Agreement, the parties have determined that it is necessary and appropriate to amend certain provisions of the Letter Agreement and the Term Sheet; which amendments will be effective as of the date of the Letter Agreement. Now, therefore, for good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to the Letter Agreement hereby agree to the following amendments to the Letter Agreement and the Term Sheet:

1. The fifth paragraph of the Letter Agreement is amended and restated to read in its entirety as follows:

"In addition, (i) @Home represents and warrants to CSC and CSC Parent that it has delivered to CSC (or, with respect to the letter agreement among @Home and the Cable Parents relating to @Work Remote, is delivering to CSC on or before the date of this amendment), true and complete copies of all agreements between @Home and any member of a Stockholder Group and (ii) TCI represents and warrants to CSC and CSC

Parent that except for those agreements delivered to CSC by @Home in accordance with clause (i) above, as of the date hereof there are no agreements between a member of the TCI Stockholder Group, on the one hand, and a member of any other Stockholder Group, on the other, relating to @Home; provided, however, that (x) for purposes of the representations and warranties set forth in this sentence, the term 'agreement' shall not include any .Com or Promotional Agreements or any Local Cable Operator Agreements, provided that such agreements were entered into in accordance with the terms of the Stockholders Agreement, the Master Distribution Agreement and/or the Fourth Amended and Restated Certificate of Incorporation of @Home (as applicable) and (y) the parties acknowledge that @Home has not provided CSC with the letter agreement, dated August 22, 1997, among @Home and the Cable Parents regarding the @Work Remote service, which letter agreement shall be provided to CSC by @Home prior to the Effective Date (as defined below)."

2. The penultimate sentence of the first paragraph under "I. Issuance and Sale of Warrants to Purchase @Home Series A Common Stock" in the Term Sheet is hereby amended and restated to read in its entirety as follows:

"In addition, upon the termination of any agreement providing for the transfer of Contributed Systems (other than by consummation thereof), the number of Contingent Warrants relating to the Contributed Systems subject to such terminated agreement shall terminate at such time."

3. The second paragraph under "II. Master Distribution Agreement" in the Term Sheet is hereby amended and restated to read in its entirety as follows:

"For purposes of clarification, (i) CSC and CSC Parent shall be entitled to the benefits of the MFN (as defined in the Master Distribution Agreement) (including, but not limited to, the right to co-brand the @Home Services (as defined in the Master Distribution Agreement) with @Home) and roll-out priorities on the same basis as all other Cable Parents and (ii) neither CSC nor CSC Parent shall be entitled to (x) become a 'High C' or a 'Triggering Cable Parent' for purposes of Section 8 of the Master Distribution Agreement, (y) terminate the Cable Parent Exclusivity Provisions upon a TCI Change in Control or (z) terminate the Cable Parent Exclusivity Provisions as to itself prior to the earlier of (1) June 4, 2002 and (2) the date of the effectiveness of any change in law, statute, or regulation or the entering of any adverse judicial decision or injunction or other action, in each case which materially impairs the enforceability (in accordance with their respective terms) of any of the Cable Parent Exclusivity Provisions, @Home Exclusivity Provisions, MFN Provisions or the Content Tag-Along

Right (as each such term is defined in the Master Distribution Agreement). Notwithstanding the limitation of clauses (x) and (y) of clause (ii) above, in the event either CCI or Comcast Cable elects to terminate the Cable Parent Exclusivity Provisions pursuant to Sections 8 or 10 of the Master Distribution Agreement, or the Cable Parent Exclusivity Provisions are otherwise terminated (or become terminable) in accordance with their terms as to all other Cable Parents, such provisions may be terminated by CSC (with respect to itself) at the same time as such provisions terminate (or become terminable) as to the other Cable Parents; provided, however, that the Cable Parent Exclusivity Provisions shall not be deemed terminable as a result of Comcast or CCI having the right to terminate the Cable Parent Exclusivity Provisions pursuant to Sections 8 or 10 of the Master Distribution Agreement until such time as Comcast or CCI, as the case may be, terminates the Cable Parent Exclusivity Provisions in accordance with the terms of said Sections 8 or 10. In addition, CSC and CSC Parent acknowledge and agree that notwithstanding their obtaining of rights on the same basis as the other Cable Parents (except as otherwise provided herein) under the Master Distribution Agreement, neither CSC nor CSC Parent shall be entitled to any rights equivalent to those granted to the Comcast Stockholder Group pursuant to Section 6 of the Master Distribution Agreement and the exercise by Comcast of the Comcast Nonexclusive Right pursuant to said Section 6 shall not affect the obligations of CSC or CSC Parent or any other Cable Parent (other than the members of the Comcast Stockholder Group) under the Cable Parent Exclusivity Provisions.”

4. The following sentence is hereby added at the beginning of the third paragraph under “II. Master Distribution Agreement” in the Term Sheet:

“CSC and CSC Parent hereby acknowledge and agree that none of CSC, CSC Parent or any other member of the CSC Stockholder Group shall be an Either E Cable Parent for purposes of the making of the Required Either E Cable Parent Election pursuant to Section 4(c) of the LCO Agreement.”

5. Paragraph (a) set forth opposite the caption “Addition of CSC Stockholder Group” under “IV. Stockholder Agreement Amendment and Waiver” in the Term Sheet is hereby amended and restated to read in its entirety as follows:

“(a) The definition of ‘Company Securities’ will be amended to provide that the Warrants (which, for purposes of this paragraph (a), shall be deemed to include any securities which were originally issued as Contingent Warrants which have, as of the applicable date of determination, become exercisable as a result of the transfer to CSC, CSC Parent or their Controlled Affiliates of the Contributed Systems

with respect to which such Contingent Warrant related), the Warrant Securities and any CSC Contingent Securities (as defined below) will be deemed Company Securities notwithstanding the fact that the Warrant Securities issuable upon the exercise of the Warrants would, and the issuance of securities upon exercise of any CSC Contingent Securities may, require the payment of additional consideration; provided, however, that for purposes of any determination of CSC's proportionate equity ownership of @Home (e.g., for purposes of calculating the amount of New Capital Stock purchasable by CSC upon exercise of its preemptive rights, the number of shares with respect to which it is entitled to participate pursuant to the exercise of its Tag-Along Right or the number of shares it is entitled to purchase pursuant to the Right of First Offer), the CSC Contingent Securities will be deemed issued and outstanding Company Securities, subject to the following:

(1) Preemptive Rights. Any securities which become purchasable by the CSC Stockholder Group (x) pursuant to the exercise of their preemptive rights and (y) which are based upon the ownership of CSC Contingent Securities by the CSC Stockholder Group, and which the CSC Stockholder Group elects to purchase, shall be issued to CSC Sub as contingent securities and shall not become vested or exercisable until the underlying CSC Contingent Securities become exercisable. As used herein, the term 'CSC Contingent Securities' (i) means, (x) the Contingent Warrants and (y) any securities issuable to CSC on the basis of its ownership of Contingent Warrants, which, as of the date of determination, are, in the case of clauses (x) or (y), not then exercisable because the transfer to CSC or CSC Parent of the Contributed System in respect of which such Contingent Warrant or other security was originally issued has not then been completed, and (ii) includes any other securities issued or transferred to CSC or CSC Parent hereunder in respect of other 'CSC Contingent Securities' which are similarly unexercisable or unvested pending completion of such a transfer. If the CSC Stockholder Group seeks to purchase less than the full amount of securities it could acquire as a result of the exercise of its preemptive rights, the securities so acquired shall be deemed to have been acquired in respect of securities of @Home owned by the CSC Stockholder Group that are not CSC Contingent Securities, up to the amount of securities that could have been acquired solely in respect of such securities (other than any CSC Contingent Securities). Upon the expiration or termination of any Contingent Warrants, CSC shall promptly give @Home notice of such expiration or termination and

specify those CSC Contingent Securities, if any, which were issued to a member of CSC Stockholder Group in respect of such expired or terminated Contingent Warrants pursuant to the exercise of such preemptive rights, which notice shall also constitute an offer by the CSC Stockholder Group to sell up to such amount of such CSC Contingent Securities to @Home or its designee at a price equal to the amount the CSC Stockholder Group originally paid to @Home in the original purchase of the CSC Contingent Securities to be sold back to @Home, which offer shall remain open for a period of 60 days following the delivery of such notice to @Home. @Home shall then promptly (and in any event not later than the fifth business day following its receipt of such offer notice) notify each Stockholder which purchased securities in the same transaction in which the CSC Stockholder Group purchased such CSC Contingent Securities of such expiration or termination, which notice will constitute an offer by @Home (subject to the consummation of its corresponding purchase of such securities from the CSC Stockholder Group) to sell to each such Stockholder up to its Pro Rata Share (as defined below) of such CSC Contingent Securities, at the same price at which @Home may purchase such securities from the CSC Stockholder Group. Upon a Stockholder's written acceptance of such offer (which acceptance shall be delivered to @Home within 45 days of such Stockholder's receipt of such offer notice), @Home will accept the CSC Stockholder Group's offer with respect to a like number of securities and purchase such securities from the CSC Stockholder Group. @Home will then notify the CSC Stockholder Group within such 60 day period referred to above of the number of CSC Contingent Securities @Home will purchase from the CSC Stockholder Group, if any. @Home and such accepting Stockholder will then consummate the sale of such securities as promptly as practicable thereafter, and upon such consummation such securities shall be fully vested and exercisable. The foregoing purchases and sales shall be subject to the terms and conditions set forth in Section 11.9 of the Stockholders Agreement. As used herein, a Stockholder's Pro Rata Share shall be an amount of Company Securities equal to the product of (x) the total number of CSC Contingent Securities that the CSC Stockholder Group is then required to offer to sell to @Home and (y) a fraction, the numerator of which is the number of Company Securities which such Eligible Stockholder offered to purchase in the original exercise of preemptive rights, and the denominator of which is the number of Company Securities which all Eligible Stockholders (other than the members of the CSC

Stockholder Group) requested to purchase in such original exercise of preemptive rights.

(2) Purchase or Sale of Company Securities Pursuant to the Tag-Along Right, Drag-Along Right or Right of First Offer. In the event the CSC Stockholder Group (a) becomes (i) entitled to sell any Company Securities pursuant to its exercise of the Tag-Along Right, or (ii) obligated to sell pursuant to the Drag-Along Right, or (b) proposes to transfer Company Securities in a transaction which is subject to the other Stockholders' Right of First Offer (any such transaction, a "Sale Transaction"), it shall be entitled to include the securities of @Home which it owns, including its Warrants and CSC Contingent Securities, on the same pro rata basis as the other Stockholders are entitled to include their Company Securities, in any such sale; provided, that any agreement in respect of such sale will provide that in the event any CSC Contingent Securities terminate or expire prior to such securities becoming vested or exercisable, the CSC Stockholder Group shall be required to return to the buyer thereof (including any ROFO Electing Stockholder) the consideration received by it in respect of such CSC Contingent Securities and the Stockholders selling securities in such transaction and the buyer shall enter into reasonable arrangements designed to assure that the buyer will have the right to acquire from such Stockholders the same amount of Company Securities that were covered by such terminated or expired CSC Contingent Securities for an aggregate consideration equal to the consideration returned to the CSC Stockholder Group. If the CSC Stockholder Group seeks to sell less than the full amount of securities it could sell in such Sale Transaction, the securities so sold shall be deemed to have been sold in respect of its securities of @Home owned by the CSC Stockholder Group that are not CSC Contingent Securities, up to the amount of securities that could have been sold solely in respect of such securities other than CSC Contingent Securities.

In the event that the CSC Stockholder Group purchases Company Securities from another Stockholder Group pursuant to its exercise of the Right of First Offer and its participation in such purchase was based, in part, on the CSC Stockholder Group's ownership of CSC Contingent Securities and any CSC Contingent Securities are later terminated or expire prior to such securities becoming vested or exercisable, the CSC Stockholder Group shall be required to offer to sell, at the same price or other consideration as the CSC Stockholder Group originally paid in respect of such Company Securities so

purchased, to each other Stockholder which purchased Company Securities in such transaction a number of Company Securities equal to the product of (x) a fraction, the numerator of which is the number of Company Securities such Stockholder offered to purchase in such original transaction and the denominator of which is the number of Company Securities offered to be purchased by all Stockholders (other than the members of the CSC Stockholder Group) in such original transaction and (y) the difference between (i) the number of Company Securities purchased by the CSC Stockholder Group and (ii) the number of Company Securities the CSC Stockholder Group would have been entitled to purchase had the CSC Contingent Securities which terminated or expired not been included in its ownership of Company Securities at the time the amount purchasable by it was determined. In this regard, if the CSC Stockholder Group seeks to purchase less than the full amount of securities it could purchase pursuant to such Right of First Offer, the securities so purchased by it shall be deemed to have been purchased in respect of its securities of @Home owned by the CSC Stockholder Group that are not CSC Contingent Securities up to the amount of securities that could have been purchased solely in respect of such securities other than CSC Contingent Securities.

In addition, appropriate changes to reflect the foregoing concepts will be made where reasonably necessary in the Stockholders Agreement, including but not limited to, in the definition of 'Attributable Shares'."

6. With respect to the matters set forth opposite the caption "Board Representation" in the Term Sheet, CSC and CSC Parent hereby acknowledge and agree that (a) CSC shall not be entitled under the Letter Agreement and Term Sheet to designate or appoint any Person as a Series B Common Stock Director of @Home, (b) the right of CSC to designate an observer to the Board of @Home shall terminate upon the initial appointment of the CSC Designee to the Board of @Home and (c) CSC's right to a Board observer and to have the CSC Designee appointed or elected to the @Home Board as an Additional Director shall be in lieu of any right CSC or CSC Parent may have under the Letter Agreement and Term Sheet (as a Stockholder entitled to the same rights and subject to the same obligations as each of Comcast, Cox and TCI under the Stockholders Agreement, except as provided herein) to elect, appoint or designate any Person to be a Series B Common Stock Director. Each of TCI and CSC hereby represents and warrants (individually and not jointly) to each of Cox, Comcast and KPCB that, as of the date hereof, there does not exist any binding agreement between TCI and its Controlled Affiliates, on the one hand, and CSC and its Controlled Affiliates, on the other, which obligates TCI to elect or appoint to the Board of Directors of @Home any officer, director or employee of CSC or its Controlled Affiliates as a Series B

Common Stock Director; provided, however, that nothing herein contained shall be deemed to restrict, limit or otherwise encumber, directly or indirectly, the right of TCI to elect or appoint as its Stockholder Designees in accordance with Section 3.3 of the Stockholders Agreement such Persons as it shall determine in its sole discretion, and TCI hereby reserves the right, in its sole discretion and without consultation with any other Stockholder Group, to designate as its Stockholder Designees and to appoint or elect as Series B Common Stock Directors (but subject to the provisions of Section 3.3 of the Stockholders Agreement) such Persons as it shall determine and to enter into agreements with CSC or any other entity with respect to the same.

7. The parties agree that Section 4.6(a) of the Stockholders Agreement will be amended to change the reference to "two Stockholders" in the second line thereof to "three Stockholders".
8. The parties agree that in the event the consideration received by TCI or its Controlled Affiliates in connection with the initial transfer of a Contributed System to CSC or CSC Parent consists in whole or in part of (a) assets constituting one or more cable television systems or (b) the ownership of securities of any entity that owns and operates one or more cable television systems (other than securities of CSC or CSC Parent), in either case which cable television system is a Controlled Affiliate of CSC or CSC Parent prior to such exchange (such cable television system so transferred to TCI or its Controlled Affiliates by CSC, CSC Parent or their Controlled Affiliates is referred to as an "Exchanged System"), which transfer or exchange results in any such Exchanged System becoming a Controlled Affiliate of TCI (an "Exchange"), then upon the consummation of such Exchange, a number of Contingent Warrants equal to (x) the number of Homes Passed of such Exchanged System as of September 30, 1997 multiplied by (y) two (subject to appropriate adjustments to give effect to any stock splits, reverse stock splits, stock dividends, recapitalizations and the like occurring after September 29, 1997) will be terminated and will not become exercisable.
9. CSC represents and warrants to @Home that its certification letter to @Home, dated October 10, 1997, sets forth a true and complete list as of September 30, 1997 and as of the date of issuance of the Warrants, of those cable television systems of CSC, CSC Parent and their Controlled Affiliates that are subject to sale or other transfer agreements which may result in such cable television systems ceasing to be Controlled Affiliates of CSC or CSC Parent (the "Subject Systems"), together with the Homes Passed of such Subject Systems as of September 30, 1997.
10. @Home covenants and agrees with CSC and CSC Parent that in the event that @Home undertakes prior to March 31, 1998 any sale or issuance of New Capital Stock with respect to which the CSC Stockholder Group has exercised its preemptive rights pursuant to Section 8.1 of the Stockholders Agreement, then @Home shall extend the period specified in Section 8.1(d) of the Stockholders Agreement in which the CSC Stockholder Group is required to consummate such purchase to 135 days following March 31, 1998.

11. The penultimate sentence of the paragraph set forth opposite the caption "Deemed Transfer" under "IV. Stockholder Agreement Amendment and Waiver" in the Term Sheet is hereby amended and restated to read in its entirety as follows:

"For purposes of Article V, the 'Total Shares' of CSC Sub shall be the number of shares issuable upon exercise of the Warrants issuable to it pursuant to the Warrant Purchase Agreement (including Contingent Warrants), as reduced from time to time as necessary to reflect the termination of Contingent Warrants occurring upon the termination of agreements or arrangements providing for the transfer of Contributed Systems."

12. The paragraph set forth opposite the caption "Other" under "IV. Stockholders Agreement Amendment and Waiver" is hereby amended and restated to read in its entirety as follows:

"Without limitation of the foregoing, CSC and CSC Parent shall be entitled to (and shall be obligated with respect to) the preemptive rights under Article 8, the Rights of First Offer under Sections 4.3 and 4.4, the Tag Along Rights under Section 4.5, the Drag-Along Rights under Section 4.6 and the Deemed Transfer provisions of Article V of the Stockholders Agreement, in each case on the same basis as the other Stockholder Groups and to the extent required by the terms of such provision, except as otherwise provided herein."

13. Schedule II to the Letter Agreement is hereby deleted and the reference to Schedule II in the definition of "Contributed Systems" in the Term Sheet is hereby deleted and replaced by reference to the certification letter of TCI, dated October 9, 1997, as to the Homes Passed of the Contributed Systems.
14. Except as specifically amended hereby, the terms and provisions of the Letter Agreement and the Term Sheet shall remain in full force and effect and are hereby in all respects ratified and confirmed.
15. This amendment may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.
16. This amendment and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws rules thereof.

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If the foregoing is in accordance with your understanding please indicate your agreement by signing below, at which time this letter will constitute a binding amendment to the Letter Agreement.

Very truly yours,

AT HOME CORPORATION

By: 

Name: Thomas A. Jermoluk
Title: Chairman of the Board,
President and Chief
Executive Officer

OCT-10-97 12:28

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OCT-10-97 15:31 FROM: CABLEVISION SYSTEMS CORP

ID: 5163968768

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P.12

Accepted and Agreed as of
the date first above written:

CABLEVISION SYSTEMS CORPORATION

By: 

DD Name: James O'Leary
Title: LEG

CSC PARENT CORPORATION

By: 

DD Name: James O'Leary
Title: LEG

COX ENTERPRISES, INC.

By: _____

Name: _____

Title: _____

COMCAST CORPORATION

By: _____

Name: _____

Title: _____

KLEINER PERKINS CAUFIELD & BYERS

By: _____

Name: _____

Title: _____

TELE-COMMUNICATIONS, INC.

By: _____

Name: _____

Title: _____

Accepted and Agreed as of
the date first above written:

CABLEVISION SYSTEMS CORPORATION

By: _____
Name:
Title:

CSC PARENT CORPORATION

By: _____
Name:
Title:

COX ENTERPRISES, INC.

By: William L Killen Jr
Name: WILLIAM L KILLEN JR
Title: Vice President

COMCAST CORPORATION

By: _____
Name:
Title:

KLEINER PERKINS CAUFIELD & BYERS

By: _____
Name:
Title:

TELE-COMMUNICATIONS, INC.

By: _____
Name:
Title:

Accepted and Agreed as of
the date first above written:

CABLEVISION SYSTEMS CORPORATION

By: _____
Name: _____
Title: _____

CSC PARENT CORPORATION

By: _____
Name: _____
Title: _____

COX ENTERPRISES, INC.

By: _____
Name: _____
Title: _____

COMCAST CORPORATION

By: B. Roberts
Name: Brian L. Roberts
Title: President

KLEINER PERKINS CAUFIELD & BYERS

By: _____
Name: _____
Title: _____

TELE-COMMUNICATIONS, INC.

By: _____
Name: _____
Title: _____

Accepted and Agreed as of
the date first above written:

CABLEVISION SYSTEMS CORPORATION

By: _____
Name:
Title:

CSC PARENT CORPORATION

By: _____
Name:
Title:

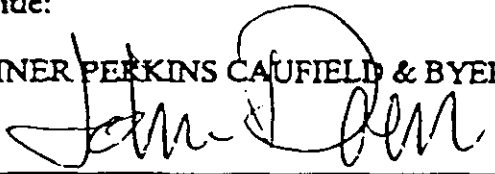
COX ENTERPRISES, INC.

By: _____
Name:
Title:

COMCAST CORPORATION

By: _____
Name:
Title:

KLEINER PERKINS CAUFIELD & BYERS

By:  _____
Name: L. John Doern
Title: Partner

TELE-COMMUNICATIONS, INC.

By: _____
Name:
Title:

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סוגיית המעורבות